

STATE BONDING FUND

PERFORMANCE REPORT FOR MAY 2002

7/2/2002

	Assets as of May 31, 2002			* RATES OF TOTAL RETURN							
	EMV \$(000)	Actual Alloc	Policy Alloc	Month Ended (preliminary)		Quarter Ended				2002 FYTD	Year Ended 6/30/2001
				May-02	Apr-02	Mar-02	Dec-01	Sep-01	Jun-01		
LARGE CAP EQUITY											
Value											
LSV	117	2.4%	2.3%	0.21%	0.54%	9.19%	8.71%	-9.12%	8.10%	8.69%	28.80%
RUSSELL 1000 VALUE				0.50%	-3.43%	4.09%	7.37%	-10.95%	4.88%	-3.41%	10.33%
Growth											
Alliance Capital	103	2.1%	2.3%	-2.35%	-8.59%	-5.94%	15.88%	-20.51%	10.03%	-22.66%	-30.23%
RUSSELL 1000 GROWTH				-2.42%	-8.16%	-2.59%	15.14%	-19.41%	8.42%	-19.00%	-36.18%
Core											
State Street	498	10.1%	10.5%	-0.74%	-6.08%	0.27%	10.67%	-14.68%	5.81%	-11.74%	-15.00%
S&P 500				-0.74%	-6.06%	0.28%	10.69%	-14.68%	5.85%	-11.69%	-14.83%
TOTAL LARGE CAP DOM. EQUITY	718	14.6%	15.0%	-0.82%	-5.37%	0.65%	11.16%	-14.82%	6.91%	-10.56%	-9.87%
S&P 500				-0.74%	-6.06%	0.28%	10.69%	-14.68%	5.85%	-11.69%	-14.83%
SMALL CAP EQUITY											
SEI Investments	252	5.1%	5.0%	-4.30%	-0.65%	2.34%	20.09%	-20.00%	N/A	-6.52%	N/A
RUSSELL 2000 + 200 bp				-4.27%	1.08%	4.15%	21.26%	-20.62%	N/A	-3.01%	N/A
TOTAL SMALL CAP DOM. EQUITY	252	5.1%	5.0%	-4.30%	-0.65%	2.34%	20.09%	-19.93%	14.24%	-6.44%	-4.21%
RUSSELL 2000				-4.44%	0.91%	3.98%	21.09%	-20.79%	14.29%	-3.83%	0.57%
CONVERTIBLES											
Trust Company of the West	481	9.8%	10.0%	-3.22%	-3.31%	-1.64%	12.40%	-15.83%	4.74%	-12.92%	-15.57%
F.B. CONVERTIBLE SECURITIES INDEX				-0.96%	-1.95%	-0.16%	7.67%	-11.01%	4.12%	-7.10%	-11.87%
INTERNATIONAL EQUITY - Core											
Capital Guardian	507	10.3%	10.0%	-0.72%	-0.62%	1.29%	14.00%	-17.63%	0.94%	-6.16%	-24.42%
MSCI 50% HEDGED EAFE INDEX (1)				-0.34%	-0.74%	1.26%	8.60%	-16.41%	0.15%	-9.07%	-20.41%
FIXED INCOME											
Core - Index											
Bank of North Dakota	691	14.0%	15.0%	1.01%	1.89%	-0.40%	0.02%	4.93%	0.31%	7.58%	11.02%
LB GOVT/CORP				0.92%	1.94%	-0.47%	0.06%	4.76%	0.30%	7.33%	11.13%
Core Bond											
Western Asset	1,272	25.8%	25.0%	0.69%	2.82%	0.50%	-0.16%	4.76%	1.18%	8.83%	12.62%
LB AGGREGATE				0.85%	1.94%	0.09%	0.05%	4.61%	0.56%	7.70%	11.22%
BBB Average Quality											
Strong	510	10.4%	10.0%	0.59%	0.55%	N/A	N/A	N/A	N/A	N/A	N/A
LB BBB Index				1.51%	1.55%	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL FIXED INCOME	2,474	50.2%	50.0%	0.76%	2.21%	-0.16%	-0.08%	4.83%	0.80%	7.71%	11.92%
LB GOVT/CORP				0.92%	1.94%	-0.47%	0.06%	4.76%	0.30%	7.33%	11.13%
CASH EQUIVALENTS											
BND - Money Market Account	494	10.0%	10.0%	0.17%	0.16%	0.48%	0.55%	0.90%	1.00%	2.28%	5.85%
90 DAY T-BILLS				0.18%	0.16%	0.43%	0.64%	1.08%	1.12%	2.51%	5.90%
TOTAL FUND	4,926	100.0%	100.0%	-0.36%	-0.24%	0.20%	5.06%	-4.36%	2.76%	0.07%	0.43%
POLICY TARGET BENCHMARK				0.01%	-0.15%	0.16%	4.38%	-3.50%	2.28%	0.76%	0.44%
TOTAL VALUE ADDED DUE TO											
Asset Mix				-0.01%	-0.05%	0.04%	-0.07%	0.14%	-0.29%	0.05%	-0.06%
Active Management				-0.36%	-0.04%	-0.00%	0.72%	-1.04%	0.76%	-0.73%	0.05%
Total Value Added				-0.37%	-0.09%	0.04%	0.65%	-0.90%	0.47%	-0.68%	-0.01%

(1) Prior to October 1, 2000, the benchmark for this asset class was the MSCI *Unhedged* EAFE Index.

* NOTE: Monthly returns and market values are preliminary and subject to change.
Returns are net of management fees.